



John M. Ryan  
Senior Vice President  
Assistant General Counsel

TEL: (720) 888-6158  
FAX: (720) 888-5134  
John.Ryan@Level3.com

February 22, 2007

Mr. Surendra Saboo  
Chief Operating Officer  
Neutral Tandem  
One South Wacker, Suite 200  
Chicago, IL 60606

Re: Request for Interconnection dated February 19, 2007

Dear Mr. Saboo,

The purpose of this letter is to respond to your formal request for interconnection that you believe is required by state statutes in Illinois, New York, Georgia and Florida. We are pleased by your pledge to work with us to reach an appropriate and mutually beneficial commercial arrangement, the terms of which have been discussed between our teams. In fact, under separate cover, we are delivering tomorrow a revised proposal describing commercial terms for a services agreement between Neutral Tandem and Level 3. Our team is working to modify our initial proposal to address specific commercial concerns raised by Neutral Tandem during business discussions over the last few days.

In your letter, you indicate that you desire to interconnect with Level 3 on non-discriminatory rates, terms and conditions. There is apparently, however, a misunderstanding on your part concerning the nature of, and the terms and conditions contained in, the interconnection agreements that Level 3 has executed with competitive local exchange carriers ("CLECs") such as Neutral Tandem.

The interconnection agreements that Level 3 has signed with CLECs permit the exchange of traffic that is generated directly by each carrier's end user customers. Our standard form interconnection agreement *does not allow, and in fact expressly prohibits*, each party from sending "transit traffic" over the interconnection trunks. "Transit traffic" is generally defined as "any traffic that originates from one telecommunications carrier's network, transits another carrier's network, and terminates to yet another telecommunications carrier."

Neutral Tandem has requested "interconnection with Level 3 solely for the purpose of delivering traffic originated by third party carriers utilizing Neutral Tandem's Tandem Service." Thus, even if we were to concede that Level 3 has a statutory obligation to interconnect with Neutral Tandem containing the financial terms that your team has demanded (which we do not), execution of a fair and non-discriminatory interconnection agreement would not permit Neutral Tandem to send Level 3 its transit traffic for termination.

Mr. Surendra Saboo  
February 22, 2007  
Page 2

As previously stated, we remain open to a commercial agreement that would allow Neutral Tandem to deliver its transit traffic to Level 3 with appropriate commercial terms and conditions. Our business teams will continue to work with you on those matters.

While we remain hopeful that rational business discussions can lead to a commercial agreement that is beneficial to both parties, we must reiterate our intention that, in the absence of such agreement, both parties must cooperate to effectuate the termination of the existing agreements without material adverse consequences to our customers. Along those lines, we expect that you are or will be shortly advising customers of the termination of our agreement and making appropriate plans for alternative routing of traffic. If termination is likely to materially impact the flow of traffic for your customers, please let us know and we can work with both you and your impacted customers to assure that there are no interruptions of service associated with the termination of the agreements.

In the meantime, please direct all communication regarding your formal request for statutory interconnection to me.

Sincerely,



John M. Ryan  
Senior Vice President and Assistant General Counsel